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# Congressional Record S. 16120 - Abolishment of Interstate Commerce

Mike Mansfield 1903-2001

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**S. 4371—INTRODUCTION OF A BILL  
TO ABOLISH THE INTERSTATE  
COMMERCE COMMISSION**

Mr. MANSFIELD. Mr. President, in recent weeks, I have addressed myself to the problem of our regulatory agencies, more specifically, the Interstate Commerce Commission.

It has not been easy to recommend that the duties of the Interstate Commerce Commission be abolished, but after giving the matter considerable thought and investigation, I am firmly convinced that the consumers, the shippers, and the transportation industry can best be served by abolishing the ICC and transferring the essential duties of the Commission to another department or agency of the Federal Government.

After repeated visits to Montana, I find that the interests of my constituents are not being served by the Interstate Commerce Commission. More and more the Commission is becoming industry oriented, and exhibiting a lack of initiative and imagination in its decisions and policies.

In Montana recent railroad consolidations have given little evidence that there is any improvement in service, and, in fact, there is likely to be a reduction. Repeated efforts are being made to discontinue passenger service, and there are indications of a reduction in freight service in the less populated areas.

In Montana the history of the railroad service to the public has been on a steady decline. Beginning with the abandonment of the Milwaukee Railroad's passenger train service through the State of Montana some years ago, there have been repeated efforts on the part of the other railroads to reduce and abandon service. Several efforts have been made to obtain ICC approval with the abandonment of the Mainstreeter on the Northern Pacific Railroad lines through Montana. To date, the people in Montana have been successful in keeping this service.

How much longer this will last, we do not know. Passenger service between Billings, Mont., and Denver and between Billings and Nebraska has been abandoned. Just recently, the ICC has granted a 6-month delay in the abandonment of passenger service between Butte, Mont., and Salt Lake City. This will leave this area without adequate public surface transportation.

Within the State of Montana, the railroads have started implementing a plan of complete abandonment of rail service

such as that provided between Livingston and Gardiner and between Sappington and Norris. To date, these requests have been denied by the Commission. Now, there are new indications that the railroads intend to retreat further and cutback freight services to some small, isolated communities in Montana. Constituents from Circle, Brockway, and Lindsay have been informally advised that their daily freight service will be cut back to three times a week. The problems of our rural communities are serious enough without these additional cutbacks. As I have indicated on previous occasions, I fear that Montana is rapidly becoming merely a roadbed for transcontinental rail freight service between the Twin Cities and the west coast.

As my colleagues in the Senate know, I expressed my most adamant objection to the recent request for rate increases submitted by the railroads, Eastern, Western, and Southern. The 15 percent is an exorbitant and thoroughly unreasonable request, especially in view of the rate boosts already approved by the ICC. While the Commission has refused to implement the increases until after their hearing, the previous record of such requests would give me no comfort as to the final recommendations.

I noted on yesterday that the railroads had again applied for a 15 percent increase which would be on top of the 11 percent increase granted in two segments over the past 6 months. There are no indications that the boxcar shortage has been resolved; both the grain and lumber industries are continuing to express concern about shortages. Interestingly, there are some reports that several of the large railroad companies would like to get out of the railroad business and concentrate on some of their many other investments. Whether or not this is true, it would seem so—with their continued abandonment of services to the people and lack of imaginative thinking in methods to expand and improve the railroad industry.

Insofar as the freight rate issue is concerned, the Wall Street Journal contained interesting comments suggesting that the government modernize its rail labor policy as well as its regulatory set up. It also offered the thought that the railroads themselves may need to give a little more thought to the possibility that they are pricing their services out of the market. Perhaps this is exactly what the railroads want to do.

Mr. President, I ask unanimous consent that the editorial appearing in the September 14, 1970, issue of the Wall Street Journal be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Sept. 14, 1970]

**THE INTEREST IN FREIGHT RATES**

In denying the Eastern and Western railroads a 15% increase in freight rates, the Interstate Commerce Commission stressed the interests of shippers and consumers. Those interests surely must be considered, but the rate question also must be pondered from the railroads' viewpoint.



An article elsewhere on this page traces the history of railroad financial problems, some of which are arising once again. Certainly the roads could use some more income from somewhere. But it is at least doubtful that interest will be served, for very well or for very long, by a long series of sizable rate boosts.

Although the ICC's language may appear to imply otherwise, the railroads have no transportation monopoly. They've received five general freight boosts since 1967, including a recent 5% interim increase, and the trend obviously has diverted some shipments to trucks, particularly to company-owned fleets.

The railroads soon will face sharply higher wage costs, as the result of labor negotiations now going on. However, as the Southern railroads pointed out when they refused to go along with the latest rate-boost request, no one can say now exactly how much higher the new labor costs will be.

In the circumstances the Southern roads are seeking a 6% interim increase in November; they plan to ask for a permanent boost only on a selective basis taking account of cost and competitive factors. Although many Eastern and Western roads are in much worse shape than the Southern lines, and thus less able to wait, the Southern strategy is at least realistic.

The railroads' troubles plainly can't be ended by diverting traffic to trucks. In the short run at least some of the lines probably can't survive without substantial Federal financial help.

In the long run Congress must modernize Federal rail labor policy; the President's proposals for dealing with the incessant, and costly, strikes now are gathering dust in Congress. The Government also must modernize the regulatory setup that now requires railroads to spend about as much time battling bureaucracy as they do fighting competitors.

The problems have piled up over many years, and they won't be disentangled overnight. In the meantime the railroads themselves may need to give a little more thought to the possibility that they are pricing their service out of the market.

Mr. MANSFIELD. Mr. President, my earlier proposal for abolishing the ICC has generated a great deal of interest. I might add that I have had comments and inquiries from many diversified points of interest. There is a need for a modernization of our Federal regulatory setup, and I firmly believe the ICC is the place to begin.

Today I introduce legislation calling for the abolishment of the Interstate Commerce Commission at the end of 18 months. During the first 12 months a special commission would be set up to determine how best to reassign the necessary functions of the ICC to other Federal departments or agencies. The remaining 6 months would be available for legislative action to accomplish the recommendations of the special commission.

The commission would be made up of representatives of the executive branch, the two Houses of Congress, and members from the private sector, representing the consumer, the carrier, and the shipper. I know that the Senate Commerce Committee has a great many crucial issues before it. We are now in the rush toward adjournment, but I do believe this is a matter of significant importance. I hope that the committee will be able to give this legislation early and prompt con-

sideration not later than the beginning of the next Congress at the latest.

Mr. President, I ask unanimous consent that a copy of the bill which I have introduced today seeking to bring about an abolition of the ICC be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 4371) to abolish the Interstate Commerce Commission at a future date and to establish a commission to make recommendations with respect to carrying out the functions of the Interstate Commerce Commission after such date, introduced by Mr. MANSFIELD, was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

#### S. 4371

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.*

#### ABOLISHMENT OF INTERSTATE COMMERCE COMMISSION

SECTION 1. Effective eighteen months after the date of enactment of this Act the Interstate Commerce Commission is abolished.

#### ESTABLISHMENT OF COMMISSION TO MAKE RECOMMENDATIONS

SEC. 2. (a) There is hereby established a National Commission on Transportation Regulation (hereinafter referred to as the "Commission") which shall be composed of fifteen members appointed as follows:

(1) six appointed by the President of the Senate, three from the membership of the Senate, two from the majority party and one from the minority party, and one each to represent carriers subject to regulation pursuant to the Interstate Commerce Act, shippers regularly using such carriers, and consumers generally;

(2) six appointed by the Speaker of the House, three from the membership of the House of Representatives, two from the majority party and one from the minority party, and one each to represent carriers subject to regulation pursuant to the Interstate Commerce Act, shippers regularly using such carriers, and consumers generally; and

(3) three appointed by the President to represent the executive branch of the Government.

(b) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment. The Commission shall elect a Chairman and a Vice Chairman from among its members. Eight members of the Commission shall constitute a quorum.

(c) The Commission shall make a full and complete investigation and study for the purpose of determining and making recommendations with respect to (1) what should be done with the functions of the Interstate Commerce Commission after the abolishment of such Commission pursuant to section 1 of this Act, and (2) what other actions should be taken to best carry out the national transportation policy as set forth in the Interstate Commerce Act.

(d) The Commission shall submit to the President and to the Congress a report with respect to its findings and recommendations not later than one year after the Commission has been fully organized.

(e) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may for the purpose of carrying out the provisions of this section hold such hearings, take such testimony, and sit and act at such times and places as the

Commission, subcommittee, or member deems advisable. Any member authorized by the Commission may administer oaths or affirmation to witnesses appearing before the Commission, or any subcommittee or member thereof.

(f) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman or Vice Chairman, such information as the Commission deems necessary to carry out its functions under this section.

(g) Subject to such rules and regulations as may be adopted by the Commission, the Chairman, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 58 of such title relating to classification and General Schedule pay rates, shall have the power—

(1) to appoint and fix the compensation of such staff personnel as he deems necessary, and

(2) to procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed \$100 a day for individuals.

(h) (1) Any member of the Commission who is appointed from the executive or legislative branch of the Government shall serve without compensation in addition to that received in his regular employment, but shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by him in the performance of duties vested in the Commission.

(2) Members of the Commission, other than those referred to in paragraph (1), shall receive compensation at the rate of \$100 per day for each day they are engaged in the performance of their duties as members of the Commission and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the Commission.

(i) There are authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out this section.

(j) The Commission shall cease to exist ninety days after the submission of its report.